PHOENIX
Pharmahandel GmbH & Co KG

a PHOENIX company

ANNUAL REPORT
2021/2022

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GROUP MANAGEMENT REPORT 2021/2022

FUNDAMENTAL INFORMATION ABOUT THE GROUP

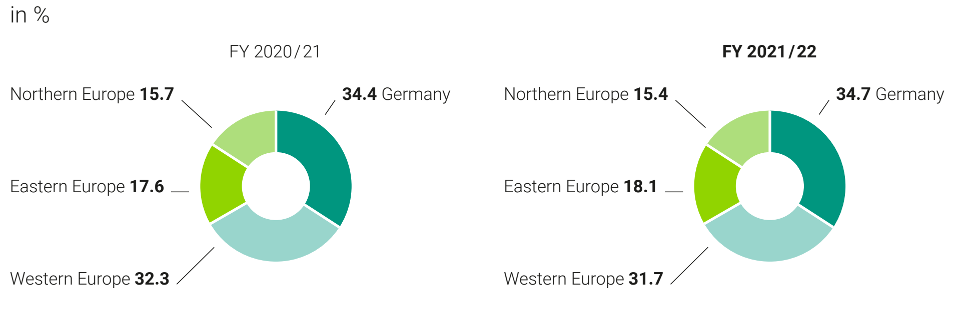
- Leading European pharmaceutical wholesaler and pharmacy operator
- Integrated business model sets us apart from the competition
- Focus on market leadership, customer satisfaction and efficiency
- Gradual build-up of digital expertise

PHOENIX

Leading European healthcare provider

PHOENIX, with headquarters in Mannheim, Germany, is a leading European healthcare provider with around 40,000 employees and is one of the largest family businesses in both Germany and Europe. Its core business is pharmaceutical wholesale and pharmacy retail. Subsidiaries also operate in related business areas, whose activities include services for the pharmaceutical industry, pharmacy goods management systems for pharmacies and logistics solutions. PHOENIX aims to be the best integrated healthcare provider wherever it operates.

NET TURNOVER PER REGION



PHOENIX was active in 26 European countries in fiscal year 2021/22 and therefore has a very diversified geographic portfolio. At the end of the reporting year, the company operated 158 sites in the business areas of pharmaceutical wholesale and pre-wholesale.

In pharmaceutical wholesale, PHOENIX is number one in 13 countries. The company currently has more than 2,800 of its own pharmacies – around 1,500 of which operate under the BENU brand – in 14 European countries and is thus Europe's leading pharmacy operator. In pharmacy retail, it mainly operates in the following countries: Czech Republic, Hungary, Latvia, Lithuania, Montenegro, Netherlands, Norway, Romania, Serbia, Slovakia, Switzerland and the UK. At present, we already have a strong proximity to customers thanks to the more than 170 million customer contacts in our own pharmacies as well as more than 70,000 pharmacies that we supply. In addition to wholesale and retail, we offer our competencies to the pharmaceutical industry as a service provider.

Our corporate mission statement defines our values

Our corporate mission statement plays a key role in our day-to-day actions. It makes the PHOENIX corporate philosophy and its vision, mission, strategy and values transparent. As a family business, we take decisions independently and pursue a long-term strategy. Our mission, "We deliver health", can only be achieved with motivated and loyal employees. Therefore, our colleagues and their motivation are always a priority.

Differentiation from the competition

PHOENIX sets itself apart in the marketplace using the following competitive advantages:

- Unique geographical coverage thanks to our presence in 26 European countries.
- Our integrated range of services in wholesale and retail in 14 European countries.
- Our pharmacy brands spread across all of Europe: BENU in 9 countries, Apotek 1 in Norway, Rowlands Pharmacy in the UK and Help Net in Romania.
- A pharmacy network with around 13,000 pharmacies in PHOENIX's cooperation and partnership programmes. The PHOENIX Pharmacy Partnership acts as a Europe-wide umbrella for the 13 cooperation programmes in 16 countries.
- The "All-in-One" service brand, under which we bundle our services for the pharmaceutical industry.

PHOENIX WITH A PRESENCE IN 26 EUROPEAN COUNTRIES

Wholesale

Wholesale and retail

PHOENIX market leader

As of 31/01/2022

STRATEGY AND GROUP MANAGEMENT

Consistent pursuit of the strategic agenda

PHOENIX's overarching goal is to create sustainable value through a corporate culture geared to customers, high cost efficiency and profit-oriented growth. We therefore give top priority to market leadership, customer satisfaction and efficiency.

Our activities as a company are guided by the strategic agenda WINGS, which we launched in fiscal year 2020/21. It will help us to continue to grow profitably in the future and further expand our leading position in the market. WINGS sets three main strategic priorities:

1. We want to improve our operational excellence. The reliable and high-quality supply of medicines and health products to our customers is the basis for our success. Among other things, this is why we launched a new initiative targeted at optimising warehousing structures and stock levels.
2. We want to put our customers even more at the centre of our activities. For example, this means that we promote the entrepreneurial spirit in our organisation so that we are able to offer new services and products to our customers from the pharmaceutical industry.
3. We also want to take advantage of the opportunities provided to us by digitalisation. We want to discover trends at an early stage and actively drive forward innovations in the healthcare sector.

We made important progress on all three pillars of our strategic agenda during the past year. With regard to "Operational Excellence", we advanced the PHOENIX Production System (PPS), which bundles all of our experience in the area of operations and logistics. By continuously optimising our logistics network and warehousing activities, we were able to reduce our net working capital at the group level by about three days. **More information can be found under "Processes and organisation" on p. 6.**

We are also expanding our range of own brands, and we are developing high-quality products, in different segments, including in the food supplements, medical products and diagnostics segments. With regard to our partnership with an international pharmaceutical company, we have expanded our collaboration and taken on the exclusive distribution of a significant part of the product portfolio for twelve countries in Central and Eastern Europe.

In the area of digitalisation, we are focusing on the ongoing development of our online services for customers. With "gesund.de" in Germany and "Hey Pharmacist" in the UK, among other things, we are concentrating on developing health platforms – and apps that combine the benefits of both online and offline services for customers. **More information can be found under "Processes and organisation" on p. 6.**

Another pillar of our strategy is to grow both organically and through targeted acquisitions. We also want to expand our position in the areas pharmacy retail and pharmaceutical wholesale as well as our services and products for the pharmaceutical industry. Another focus is on investments in infrastructure and automation in order to further increase our efficiency and productivity. **More information can be found under "Business development at a glance" on p. 8.**

In pharmaceutical wholesale, PHOENIX has customer relations with over 70,000 pharmacy customers, of which many are part of our pharmacy cooperation programmes. We offer franchise systems for independent pharmacies in some countries. PHOENIX's network of around 13,000 independent pharmacies in its cooperation and partner programmes is the largest of its kind in Europe. The PHOENIX Pharmacy Partnership acts as a Europe-wide umbrella for PHOENIX's 13 pharmacy cooperation programmes in 16 different countries. We want to further expand and purposefully strengthen the pharmacy retail business. With PXG Pharma GmbH, we have a vehicle for the ongoing development of our trade activities with our own brands such as LIVSANE. As a subsidiary of the PHOENIX group, it is responsible for central product development and sales as well as procurement terms and conditions and product quality, and works to continuously expand its range of products. The LIVSANE business is also to be expanded in the years ahead, partly by means of third-party business, which is now up and running, and partly by adding medicines to its portfolio as well as by introducing the brand in more countries. More than 450 product variations are currently sold in around 12,000 pharmacies in 14 European countries.

Furthermore, we offer the pharmaceutical industry comprehensive services along the entire pharmaceutical supply chain with our "All-in-One" service brand. The portfolio comprises logistics solutions in "Healthcare Logistics" with hubs across Europe, as well as awareness and digital B2C campaigns via the pharmacy channel. Together with its industry partners, PHOENIX analyses demand and develops tailored solutions – at a local, regional or European level.

Using key financial indicators in management

The corporate management is primarily based on the key financial indicators of the income statement and the statement of financial position. The key figures in the income statement are revenue and profit before tax, in the statement of financial position it is the equity ratio.

PROCESSES AND ORGANISATION

Permanent optimisation

By continuously reviewing our processes and structures, we are able to secure PHOENIX's efficiency and flexibility to act, and respond at short notice to changes in the market.

We safeguard our market leadership by optimising and harmonising processes and structures in Germany and Europe-wide on an ongoing basis. In the UK, for example, we aim to further grow in the hospital supply sector, among others, and expand our pharmacy cooperation Numark. Our important services include the MediPac "Hub & Spoke" solution in Runcorn, UK, which gives pharmacies time to provide more services for their patients and reduces the costs for PHOENIX. This is supported by the National Health Service. We have also introduced the "PilPouch" – an innovative medication dosage system for customers of Rowlands pharmacies. We offer other innovations in the field of patient services and infrastructure, such as "PharmaSelf24". This is an automated dispensing system that allows patients to collect their medicines at any time of day.

We are also continuing to work on initiatives to optimise the operational processes of our logistics network: At the beginning of the past fiscal year, on 1 February 2021, our established initiatives such as Warehouse Excellence were incorporated into the wide-ranging PHOENIX Production System (PPS), which bundles our cross-border experience in the key operating areas of infrastructure planning, process optimisation in the distribution centres, inventory management and transportation. The PPS is a living concept that grows through ideas and the sharing of best practices. This has already produced significant results, such as reducing the net working capital tied up in inventories: In projects carried out in two large pilot countries, we developed tools and methods to streamline our inventories while also avoiding any negative impact on the service level we offer to our customers. These tools are now being customised and gradually rolled out in smaller countries as well. These measures are making the supply chain more efficient and reducing the net working capital it ties up, which is being used to finance maintenance and growth.

Gradual expansion of digital competence

Strengthening the digital competence of PHOENIX is a core component of the company-wide strategic agenda WINGS. There are a number of ongoing initiatives in this regard. A major element of this is improving the company-wide availability of data and data analysis competence. To this end, we set up a central data and analysis platform and conducted some initial use cases during the past fiscal year. The aim is to use data to optimise current work processes and to enable innovative business models by better analysing customers' needs.

Another focus is on strengthening digital channels to end customers and patients. In Germany, for example, PHOENIX and its partners have introduced "gesund.de" – a central health platform for all aspects of personal health. This digital solution is targeted at end consumers and patients as well as pharmacies and all other service providers in the healthcare sector. It can be used to order over 100,000 prescription-only and over-the-counter medicines, usually with same-day delivery. More than 7,500 pharmacies are already represented on "gesund.de". The platform is also constantly being improved, for example, by combining the app and the online marketplace for products. A dedicated online channel has been established in the UK as a result of the successful acquisition and integration of Coop Health. Under the "Hey Pharmacist" brand, patients have been able to use an app to submit their repeat prescriptions online and collect the medicines from the pharmacy since early summer of 2021.

PHOENIX's subsidiary JDM launched another innovation onto the market in the form of the smart, cloud-based medication system "Smila". This solution, which is a smart medication-dispensing robot, enables people requiring care to lead a more independent life and reduces costs for health insurance funds. The robot was developed by JDM as part of a German-Finnish collaboration and has the potential to improve the healthcare of patients in different countries and offer them a more independent, healthier life. "Smila" is being piloted in Finland.

The company is also investing in harmonising the goods management systems and optimising and modernising the IT architecture landscape across PHOENIX as a whole. The pilot project in Austria to modernise the internally developed goods management system PHARMOS on the basis of SAP S4/Hana was successfully launched in fiscal year 2021/22.

As a result of the COVID-19 pandemic and its consequences, PHOENIX has significantly expanded its capacity for mobile workspaces and driven forward the modernisation of digital workspaces by rolling out cloud-based office applications. The company also broadened existing IT systems in the area of e-commerce and logistics, in order to cater to the changed purchasing and order behaviour of customers and the associated peaks in demand. A host of specific IT modifications have also been implemented in order to meet the special government requirements, for example regarding masks and vaccines, at short notice.

PHOENIX is also investing in strengthening its resilience against cyber-attacks so as to guarantee a continued high level of protection for customer and corporate data in light of rising external threats.

ECONOMIC REPORT

- Economic recovery losing steam due to the emergence of the Omicron variant in the course of the year
- 8.9% increase in revenue
- Profit before tax much higher than in prior year after adjusting for non-recurring effects
- Intensive communication with our employees

ECONOMIC ENVIRONMENT

COVID-19 pandemic still impacting economic growth

Europe's economy was initially boosted in 2021 by the relaxation of coronavirus restrictions but lost steam again towards the end of the year as the Omicron variant emerged. Despite this, the gross domestic product of the eurozone still rose 5.2% year-on-year (prior year: decline of 6.8%). Germany's economic growth was also influenced to a significant degree by developments relating to the coronavirus pandemic and the measures introduced to contain it in 2021. Nevertheless, the German economy was able to recover after the slump in 2020. Real GDP was up 2.7% year-on-year (prior year: decline of 5.0%).

Development in the European pharmaceutical markets was varied. The German pharmaceutical wholesale market increased 4.6% in 2021 compared to the prior year. This was primarily attributable to a noticeable increase in revenue from prescription-only drugs. The German market continued to be shaped by fierce competition.

BUSINESS DEVELOPMENT AT A GLANCE

Key measures implemented

Our objective is to expand our position in the areas of pharmacy retail and pharmaceutical wholesale and continuously widen our range of services and products for the pharmaceutical industry. We were once again able to achieve this in the past fiscal year, also thanks to our strategic agenda WINGS. We achieved major milestones in all areas and reinforced PHOENIX's strong market position. **More information can be found under "Strategy and group management" on p. 5.**

We also fulfilled our responsible role in Europe's healthcare supply under the difficult conditions caused by the ongoing COVID-19 pandemic. One important part of this during the past year was the delivery of vaccines in Germany, France, Austria and parts of Italy, which involved the distribution of millions of vaccine doses. In this way, we made an important contribution to the fight against the pandemic thanks to our unique distribution network. Other activities included carrying out vaccinations in our own pharmacies, distributing rapid tests, and storing government medicine reserves. The focus in this regard was always on protecting our colleagues, customers and partners.

In July 2021, we have reached an agreement to acquire parts of McKesson's European business activities. These include McKesson Europe's operations in Belgium, France, Ireland, Italy, Portugal and Slovenia, as well as the European headquarters in Stuttgart, German company recucare GmbH, and the minority stake in the Brocacef Groep in the Netherlands for a purchase price of EUR 1.2bn, adjusted for certain items, including cash, net debt and working capital adjustments, and reduced by the value of the non-controlling interest held by minority shareholders of McKesson Europe AG ("McKesson Europe") at the transaction closing date. The transaction is subject to antitrust approval and other customary closing conditions. With this acquisition, PHOENIX is strengthening its position as an integrated healthcare provider with a pan-European presence and locally well-established brands. In the future, we will be able to offer our customers, patients and partners in Europe even more comprehensive and optimally integrated services.

In PHOENIX's pharmacy retail business, we worked above all on the further integration of pharmacies acquired in previous years. The number of our own pharmacies has risen sharply during the last years, particularly in Romania, the Netherlands, the Czech Republic and Serbia. Business acquisitions in fiscal year 2021/22 led to a cash outflow of EUR 19.6m (prior year: EUR 38.6m). Cash received from divestitures amounted to EUR 0.5m (prior year: EUR 3.4m).

We are also expanding our activities in the area of digitalisation and developing additional sales channels. Market-specific digital and e-commerce activities are being developed in the countries of PHOENIX in accordance with the guiding principle of making key business decisions in the context of the respective local market. The company also already has its own e-commerce solutions in most countries where it has its own pharmacies. Our Central and Eastern European markets are particularly noteworthy in this regard on account of their strong e-commerce business activities.

In Germany, we worked with partners to set up the "gesund.de" platform, which connects consumers and patients with pharmacies and other service providers in the healthcare sector. The "Hey Pharmacist" app was launched in the UK. The smart medication-dispensing robot "Smila" is being piloted in Finland. **More information can be found under "Processes and organisation" on p. 6.**

PHOENIX invests in the future

PHOENIX is addressing future requirements by making substantial investments in intangible assets and property, plant and equipment. In past years, PHOENIX has invested to a particularly large degree in expanding and modernising its pharmacy network and distribution centres, in automation technology and in extending logistics services for the pharmaceutical industry. Investments primarily relate to replacement and restructuring investments and less so to expansion investments. In fiscal year 2021/22, investments amounted to EUR 180.2m (prior year: EUR 187.8m).

Work on the new construction of the wholesale facility in Prague in the Czech Republic was completed in 2021 following two years of planning and construction. It represents one of the largest investments in infrastructure made by PHOENIX in recent years. State-of-the-art automation technology enables significantly higher productivity and strengthens the logistics of the Czech pharmaceutical wholesale business in the long term. With an area of 18,500 square metres for the operative business and a renewal of the technology, the company can provide healthcare even better. A dedicated area has been set up for the e-commerce business of our pharmacy chain BENU and connected to the conveyor technology of the new distribution centre. The adjacent, former distribution centre continues to be used and has been converted into a pre-wholesale warehouse with double the floor space. A total storage capacity of 25,000 pallets on 14,500 square metres is available.

Management Board's overall assessment of the situation

PHOENIX was able to successfully further strengthen its market position in fiscal year 2021/22 as a leading healthcare provider in Europe and expand its wholesale and retail activities. Despite the fact that the underlying conditions remained challenging, PHOENIX was once again able to increase its total operating performance and revenue and grow at a faster pace than the market in general, thereby achieving our forecast for the past fiscal year.

FINANCIAL PERFORMANCE

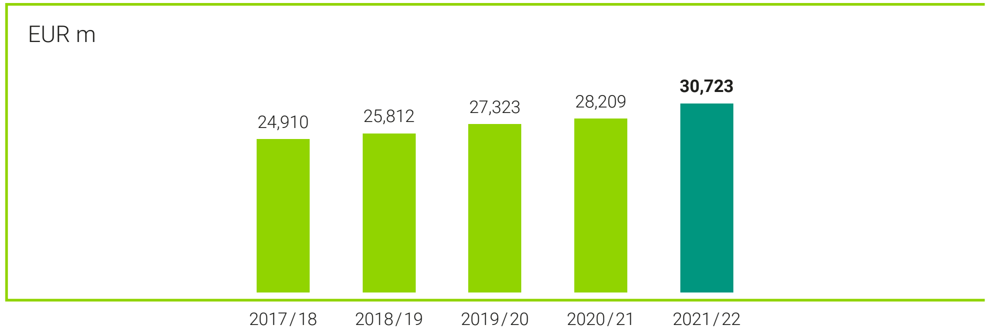
	FY 2020/21 in EUR m	FY 2021/22 in EUR m	Change in EUR m	Change in %
Total operating performance	35,902.0	39,612.8	3,710.8	10.3
Revenue	28,209.1	30,723.4	2,514.3	8.9
EBITDA before significant one-off effects	644.0	706.8	62.8	9.8
EBITDA	654.9	670.1	15.2	2.3
EBIT	346.7	357.6	10.9	3.1
Financial result	– 49.1	– 53.1	– 4.0	8.1
Profit before tax significant one-off effects	286.7	341.2	54.5	19.0
Profit before tax	297.6	304.5	6.9	2.3
Profit after tax	225.9	218.3	– 7.6	– 3.4
Equity	3,168.9	3,383.1	214.2	6.8
Equity ratio (%)	30.6	31.5	0.9	2.9
Net debt	1,798.9	1,613.7	– 185.2	– 10.3

Increase in total operating performance and revenue

PHOENIX again recorded growth in fiscal year 2021/22. Total operating performance rose by 10.3% to EUR 39,612.8m in a year-on-year comparison. This comprises revenue and distribution services for a service fee. Adjusted for foreign exchange rate effects, the growth amounts to 9.5%.

Revenue increased by 8.9% to EUR 30,723.4m in fiscal year 2021/22 (prior year: EUR 28,209.1m). Growth was recorded in all regions. This development is in line with the statement made in the forecast report of the 2020/21 group management report, where we expected revenue to be slightly above the level of growth of the European pharmaceutical markets. Adjusted for foreign exchange rate effects, the increase in revenue came to 8.2%. 0.1% stemmed from changes in the basis of consolidation.

DEVELOPMENT OF SALES



Revenue by region (before consolidation) breaks down as follows:

	FY 2020/21 in EUR m	FY 2021/22 in EUR m	Change in EUR m	Change in %
Germany	9,731.8	10,697.8	966.0	9.9
Western Europe	9,139.0	9,763.6	624.6	6.8
Eastern Europe	4,968.4	5,585.5	617.1	12.4
Northern Europe	4,442.5	4,753.8	311.3	7.0

EBITDA higher than in the prior year

Gross profit increased by EUR 211.3m in the reporting year to EUR 3,230.1m. The gross profit margin, calculated as gross profit in relation to revenue, fell from 10.70% in the prior year to 10.51%. This can mainly be attributed to an increased cost-of-sales ratio.

Personnel expenses rose from EUR 1,568.4m to EUR 1,658.2m. Adjusted for currency effects, personnel expenses increased by 4.1% on the prior year. This was primarily attributable to acquisitions, collectively bargained wage increases and an increase in headcount due to the business expansion.

Other expenses increased by EUR 111.3m to EUR 945.0m. This was largely due to higher transport costs, IT costs and consulting fees. In relation to revenue, other expenses came to 3.1% (prior year: 3.0%).

Overall, this caused earnings before interest, taxes, depreciation and amortisation (EBITDA) to rise from EUR 655.0m to EUR 670.1m. Non-recurring income amounting to EUR 10.9m relating to increased compensation for pharmacies was recognised in fiscal year 2020/21, and expenses of EUR –36.7m relating to the valuation of inventories were incurred in fiscal year 2021/22, in connection with COVID-19. After adjusting for these non-recurring effects, EBITDA increased by 9.8% or EUR 62.8m in comparison to the same period in the prior year, and now stands at EUR 706.8m.

Significant year-on-year improvement in adjusted profit before tax

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 290.7m (prior year: EUR 285.9m). Amortisation, depreciation and impairment included depreciation of right-of-use assets under IFRS 16 of EUR 135.9m (prior year: EUR 137.3m). Adjusted for this share, the increase is primarily due to acquisition effects and investments.

In fiscal year 2021/22, impairment losses were recognised on intangible assets in the amount of EUR 14.2m (prior year: EUR 18.4m). These mainly related to the impairment of pharmacy licenses, which amounted to EUR 12.6m (prior year: EUR 9.9m). Goodwill impairment amounting to EUR 8.0m for the cash-generating units of Germany and Romania was also recognised in the prior year. Impairment losses on pharmacy licenses were reversed in the amount of EUR 1.7m in fiscal year 2021/22 (prior year: EUR 0.0m).

The effects described resulted in earnings before interest and taxes (EBIT) of EUR 357.6m overall (prior year: EUR 346.7m).

The financial result fell by EUR 4.0m to EUR –53.1m. This includes interest expenses on lease liabilities of EUR 22.8m (prior year: EUR 23.8m). This change is mainly due to an increase in net interest expenses on account of the transaction costs recognised through profit or loss in connection with refinancing.

Profit before tax amounted to EUR 304.5m (prior year: EUR 297.6m), thus developing in line with the statement made in the management report for fiscal year 2020/21, which forecast a profit before tax on the level seen in 2020/21. After adjusting for significant, non-recurring effects relating to COVID-19, profit before tax increased by 19.0%. It rose by EUR 54.5m to EUR 341.2m.

Income taxes of EUR 86.2m (prior year: EUR 71.7m) were recorded. The tax rate was 28.3% (prior year: 24.1%). Income taxes include expenses from current taxes in the fiscal year of EUR 65.7m (prior year: EUR 69.4m) as well as deferred tax expenses of EUR 20.5m (prior year: EUR 2.3m). This increase in deferred tax expenses can mainly be attributed to the impact of a tax rate adjustment in the UK.

Profit after tax came to EUR 218.3m (prior year: EUR 225.9m).

ASSETS AND LIABILITIES

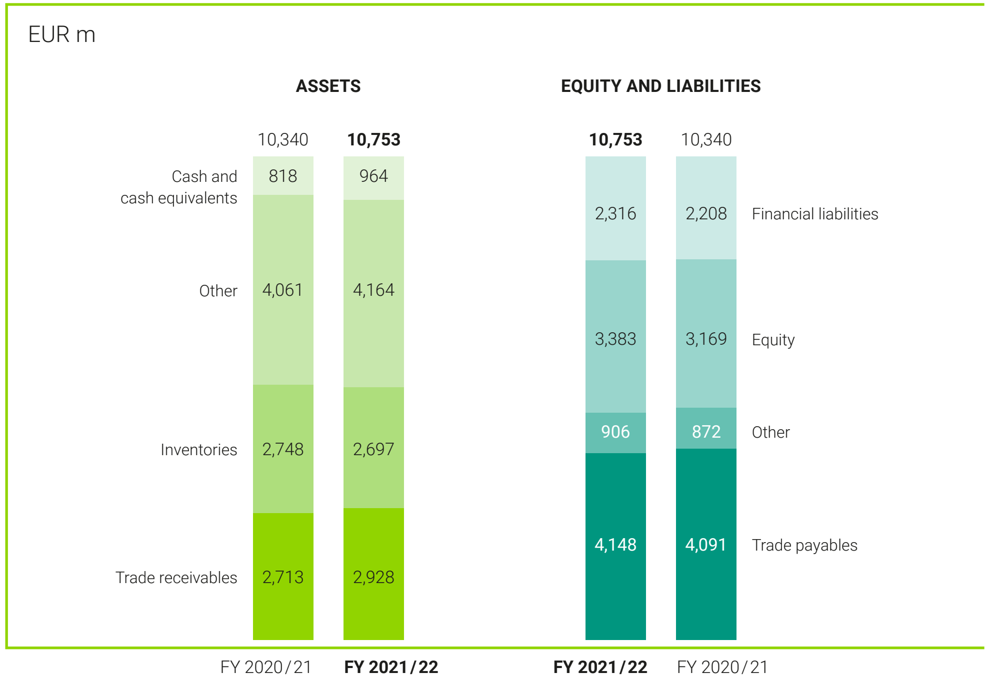
The group's total assets increased by 4.0% compared to 31 January 2021 to EUR 10,753.4m. The currency translation difference on total assets, which is presented in the statement of changes in equity, amounted to EUR – 99.9m (prior year: EUR – 132.5m).

Acquisitions caused intangible assets to increase by EUR 43.8m to EUR 1,876.5m. As of 31 January 2022, intangible assets essentially comprised goodwill (EUR 1,440.4m; prior year: EUR 1,418.2m) and pharmacy licenses (EUR 280.8m; prior year: EUR 282.9m).

Property, plant and equipment increased slightly from EUR 1,737.7m in the prior year to EUR 1,775.5m. As of 31 January 2022, property, plant and equipment include right-of-use assets amounting to EUR 745.7m (prior year: EUR 727.2m).

Inventories fell slightly in comparison to the prior year by 1.9% to EUR 2,696.8m. The average number of days sales of inventory was reduced from 35.6 to 32.1 days.

STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION



Trade receivables increased from EUR 2,712.8m in the prior year to EUR 2,928.2m. The average number of days sales outstanding was reduced from 41.1 in the prior year to 39.6.

Receivables amounting to EUR 125.6m had been sold as of 31 January 2022 (prior year: EUR 289.9m) under off-balance-sheet ABS and factoring programmes. Under ABS and factoring programmes that are recognised only to the extent of the continuing involvement, receivables of EUR 174.6m had been sold as of 31 January 2022 (prior year: EUR 175.3m). The group's continuing involvement came to EUR 7.7m (prior year: EUR 6.9m).

Other current financial assets fell by EUR 19.5m to EUR 97.5m.

FINANCIAL POSITION

The objective of financial management is to ensure a sound capital structure to finance operating business.

PHOENIX concluded a syndicated loan agreement with a volume of EUR 2.25bn in fiscal year 2021/22. The loan agreement includes bridge financing for the McKesson acquisition with a volume of EUR 1.0bn and a term of 15 months (as well as two options to extend the term to 21 and/or 27 months), as well as a revolving credit facility with a volume of EUR 1.25bn, a term of three years and two options to extend the term by another year in each case.

Further increase in equity

Equity increased from EUR 3,168.9m as of 31 January 2021 to EUR 3,383.1m as of 31 January 2022. The equity ratio rose slightly from 30.6% in the prior year to 31.5%, as expected.

	FY 2020/21 in EUR m	FY 2021/22 in EUR m	Change in EUR m	Change in %
Profit after tax	225.9	218.3	–7.6	–3.4
Non-cash expenses/income, p&l neutral payments	355.2	358.5	3.3	0.9
Change in working capital	44.1	–179.3	–223.4	–506.6
Cash flow from operating activities	**625.2**	**397.5**	**–227.7**	**–36.4**
Cash flow from investing activities	**–51.6**	**–179.4**	**–127.8**	**247.7**
Free cash flow	**573.6**	**218.1**	**–355.5**	**–62.0**

Cash flow from operating activities came to EUR 397.5m (prior year: EUR 625.2m). The change in working capital had a particularly negative impact in this regard. While working capital fell by EUR 44.1m in the prior year, in fiscal year 2021/22, it increased by EUR 179.3m, mainly due to the switch from an ABS programme to recognition in the statement of financial position. Cash flow from investing activities came to EUR –179.4m compared to EUR –51.6m in the prior year. In the prior year, the repayment of a purchase price loan granted to PHOENIX Pharma SE with a volume of EUR 148.5m had a positive impact on cash flow from investing activities.

Free cash flow fell from EUR 573.6m in the prior year to EUR 218.1m. For the change in free cash flow and cash and cash equivalents, please refer to the statement of cash flows.

Provisions for pensions increased from EUR 272.4m in the prior year to EUR 294.2m in the reporting year, mainly due to changed actuarial assumptions.

Non-current financial liabilities came to EUR 1,575.4m (prior year: EUR 1,317.1m). These include lease liabilities pursuant to IFRS 16 of EUR 658.6m (prior year: EUR 638.5m). In addition, this item contains bonds amounting to EUR 396.6m (prior year: EUR 395.6m) and promissory notes amounting to EUR 274.1m (prior year: EUR 273.9m).

Current financial liabilities came to EUR 740.2m (prior year: EUR 891.2m) as of the reporting date. These include lease liabilities pursuant to IFRS 16 of EUR 132.3m (prior year: EUR 125.4m). This item also includes liabilities to banks of EUR 113.4m (prior year: EUR 213.1m), liabilities from ABS and factoring agreements of EUR 345.0m (prior year: EUR 207.8m) and other loans of EUR 125.6m (prior year: EUR 122.3m).

On the whole, net debt decreased by EUR 185.1m compared to 31 January 2021 to EUR 1,613.7m, according to the calculation below.

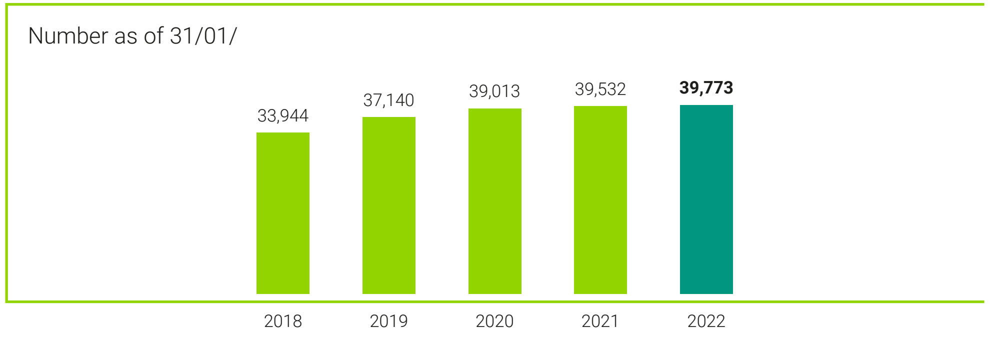
		31 January 2021 in EUR k	31 January 2022 in EUR k	Change in EUR k	Change in %
+	Financial liabilities (non-current)	1,317,147	1,575,412	258,265	19.6
./.	Derivative financial instruments (non-current)	– 91	– 43	– 48	52.7
+	Financial liabilities (current)	891,239	740,171	– 151,068	– 17.0
./.	Derivative financial instruments (current)	– 2,433	– 1,303	1,130	– 46.4
./.	Cash and cash equivalents	– 818,030	– 964,327	– 146,297	17.9
+	Receivables sold in the course of ABS and factoring transactions	458,286	292,470	– 165,816	– 36.2
./.	Factoring receivables	– 23,408	– 24,697	– 1,289	5.5
./.	Receivables from ABS programmes	– 23,853	– 3,974	19,879	– 83.3
Net debt		**1,798,857**	**1,613,709**	**– 185,148**	**– 10.3**

Trade payables increased by EUR 56.7m on the prior year to EUR 4,148.1m.

EMPLOYEES

At the end of fiscal year 2021/22, PHOENIX had 39,773 employees across Europe. The headcount increased by 0.6% compared to the previous year. This can be attributed mainly to growth in the pharmacy retail segment in Serbia, Slovakia and the Czech Republic, as well as our general business expansion. The number of full-time equivalents increased by 0.3% to 33,205.

DEVELOPMENT OF EMPLOYEES

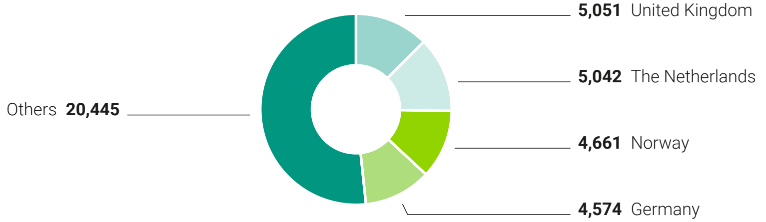


Intensive communication with our employees
Our employees’ commitment and motivation are key factors for our organisation’s performance. That is why we have been conducting group-wide employee surveys since 2015 in order to be able to respond in a targeted manner to feedback from our employees. From 2022, we are focusing more on flexible pulse surveys that can be tailored even more readily to the situation in our different countries while also registering group-wide indicators. In Germany, there are also regular annual reviews with employees and a feedback process for management.

As the COVID-19 pandemic continues, our main focus in the past year was on the protection of our employees. As a company of systemic importance, we promptly introduced measures such as distancing and hygiene rules, compulsory masks and closed working groups, and offered our employees vaccination appointments. We also offered and made extensive use of mobile working. This allowed us to continue to ensure the important delivery of medicines.

EMPLOYEES BY COUNTRY

as of 31/01/2022



The pandemic has shown how important it is for companies whose employees collaborate across divisions and national borders to have a well-functioning digital infrastructure. Against this backdrop, Corporate IT has, among other things, launched the "Digital Workplace Program" initiative as part of the strategic agenda WINGS. The project involves the creation of standardised digital workplaces within PHOENIX in order to meet the new requirements of the modern world of work. One important milestone during the past year was the provision of MS Teams to all employees. Combined with Microsoft 365, the application will improve collaboration within PHOENIX.

Mobile working is making work much more flexible. The role of management and the way teams work together are changing, as are the requirements for our office environments. As part of the "Workspace 22" project at the headquarters of PHOENIX and PHOENIX Germany, measures are being developed on the basis of a location-wide survey as well as workshops involving employees and management to support a better form of hybrid collaboration – partly virtually and partly in the office – and also to allow us to make better use of our office space.

Solid basic and advanced training

It is important to us that we recognise our employees' potential and systematically develop their skills. We do this on the basis of targeted training that enables employees to develop both professionally and personally. In Germany, for example, employees and management took part in a total of 69 training measures in fiscal year 2021/22. These were once again generally held virtually on account of the pandemic.

PHOENIX LERNWELT is our new training tool that has been available to us in Germany since the fiscal year before last. It brings together our entire range of trainings online in accordance with the principle of managing your own learning. The focus during the past year was on adding new trainings in the field of management development to LERNWELT. The main priority in this regard is to foster entrepreneurship and accountability, and strengthen sharing and learning across all divisions. Instead of the individual training offered thus far, modular initiatives lasting between six and nine months are now being set up for various different target groups. These initiatives are also contributing to the implementation of WINGS by improving the way we work together in order to achieve more as a group.

A new, Europe-wide e-learning management system was also introduced in fiscal year 2021/22 that efficiently and verifiably provides mandatory training for all employees in all countries and languages. It also facilitates collaborative learning across borders on selected topics. The individual countries also have local e-learning management systems to meet their own country-specific requirements. In-person training is also still being provided: All PHOENIX employees attend induction programmes and training depending on their functions. Our excellence programmes also strengthen international collaboration and the exchange of best practices within PHOENIX.

We would like to fill senior management positions internally where possible. Therefore, in fiscal year 2021/22, we established the LIFT Talent Management Programme as part of our strategic agenda WINGS. This programme is aimed at developing and advancing high potentials at our company. With a strong co-creation approach, innovative formats and inter-disciplinary work on current significant operating tasks, the programme strengthens participants' leadership and cross-functional skills and prepares them for senior management functions at PHOENIX.

PHOENIX also plays an active role when it comes to vocational training, offering young people a diverse range of opportunities to join the company, such as internships, apprenticeships and combined courses of study. In fiscal year 2021/22, the German subgroup of PHOENIX employed 78 trainees and 16 students in a work-study programme. The traineeships available in our company include an apprenticeship as merchant in wholesale and foreign trade management, warehouse logistics specialist, IT specialist as well as the degrees Bachelor of business management, digital commerce management and business informatics.

RISK AND OPPORTUNITY REPORT

- Efficient risk management system to identify, monitor and manage risks
- Stable situation in terms of opportunities and risks due to only limited economic fluctuations in the pharmaceutical market
- No identifiable risks to the group’s ability to continue as a going concern
- Taking advantage of the opportunities that present themselves to build on the group’s position as a market leader

RISK MANAGEMENT

PHOENIX’s risk management system consists of planning, approval and reporting structures and an early warning system. The internal audit department examines this system regularly for adequacy, operability and efficiency. The Management Board regularly receives reports on the audit findings of the internal audit.

RISKS

PHOENIX is subject to market risks. As a rule, the pharmaceutical market is less affected by cyclical swings than other industries, but the loss of purchasing power and cost-saving measures in government spending on healthcare can have a negative impact on the market and our business activities.

The earnings situation in the pharmaceutical wholesale business is also influenced by the terms and conditions granted to customers and by suppliers. These depend, in particular, on the level of competition in individual countries, which is why they are continually monitored on both the sales and purchasing side.

In the operating business, the quality and stability of the operating processes are decisive. An IT systems failure could disrupt key business procedures and processes. Furthermore, external attacks could result in a loss of confidential and sensitive data. In many areas, there are contingency plans for maintaining operations, even in the event of unforeseen interruptions. The standardisation, regular review and maintenance of the IT systems also helps ensure the continuity of the operating procedures.

With advancing digitalisation, new competitors are seeking to establish themselves on the market with online offerings, in competition with traditional pharmacies, and in the wholesale business. We are monitoring these activities and are reviewing in which areas it is expedient and admissible to set up or expand our own online offering.

The global COVID-19 pandemic at present has given rise to growing risks for global macroeconomic development, which could also have a negative effect on our businesses. Each current development and risk situation will be monitored on an ongoing basis using reporting on operations by the group companies. There is the risk that mandatory government measures to contain the pandemic will limit access to distribution centres and pharmacies, especially in shopping centres. These measures could also result in restrictions for our suppliers on the procurement side. Furthermore, there are personnel risks if employees miss work due to ill health or on account of quarantine rules. Plans developed by a task force that was set up immediately after the outbreak of the pandemic are in place at PHOENIX that should ensure the continuation of the group’s operations.

Ongoing geopolitical crises such as the conflict in Ukraine pose a risk to general economic growth. It is difficult to estimate the consequences of the military conflict and the sanctions that have already been imposed at present. We conduct almost no direct business activities in Ukraine or Russia. However, there could be indirect effects on PHOENIX’s assets, liabilities, financial position and financial performance. Transportation and energy costs are a significant cost factor, making up around 15% of our total costs. The significant increase in fuel and energy prices in fiscal year 2021/22 caused this cost item to rise sharply. Given the uncertainty surrounding the continuation of supplies of raw materials from Russia to Europe, there is a risk of further price increases in the fuel and energy sector in the future. PHOENIX will use mitigation measures to attempt to reduce the resulting negative effects on its assets, liabilities, financial position and financial performance.

Credit risk and accounts receivable management

The credit risk for PHOENIX, measured as total receivables, is comparatively low. Regardless of this, payment terms in the public healthcare system tend to vary from one country to another, with longer payment terms customary in Southern and Eastern Europe. In our experience, the risk is also distributed over a large number of customer relationships. In the course of liberalisation of the pharmacy markets in Europe, however, pharmacy chains and new sales channels are increasingly emerging, creating a large number of major customers with a higher level of receivables outstanding.

A group-wide guideline for accounts receivable management aims to systematically monitor receivables risks.

Acquisition projects

PHOENIX's strategy is to acquire pharmacies and wholesale companies in order to expand its own market position. As a result, the group is exposed to legal, fiscal, financial and operational risks from acquisitions. The central Mergers & Acquisitions department analyses and reviews acquisition projects before they are approved by the Management Board. It may, however, happen that developments anticipated at the date of acquisition do not eventuate. This can, in turn, lead to recognising an impairment loss on goodwill in the course of impairment testing.

Legal risks

PHOENIX is active in 26 countries in Europe. In light of its strong market position, there is a risk that competition authorities will occasionally rule in a way that is unfavourable for us. Trade with pharmaceutical products requires compliance with certain legal requirements in the different countries. Infringements of these requirements may result in corresponding penalties by the authorities.

Financial risks

In a financing context, PHOENIX is exposed to various risks.

As part of our syndicated loan agreement, certain financial covenants were agreed, the breach of which presents a risk to financing. The development of liabilities and covenants is monitored regularly as a result. In fiscal year 2021/22, we complied with the agreed covenants comfortably.

Derivatives are used to hedge against interest rate and currency risks. Their use is monitored intensively on a timely basis. Derivative financial instruments are only used for hedging purposes, and counterparty risks are minimised by the careful selection of trading partners.

The agreements underlying our corporate bonds contain restrictions and obligations for PHOENIX, as an issuer, that are customary in the market. Failure to comply with these restrictions and obligations could result in the amount of the bond plus the interest accrued falling due.

As regards the currency translation risk, the exchange rates of the pound sterling, the Norwegian krone and the Hungarian forint are of relevance for PHOENIX. Currency transaction risks are relevant in some Eastern European countries where deliveries by the pharmaceutical manufacturers are sometimes invoiced in euro and sometimes in US dollar. For the group, however, these are not material. Fluctuations on the financial markets may also lead to shortfalls in the pension funds and the inherent risk of an unplanned increase in personnel expenses.

Tax risks

The PHOENIX companies based in Germany are subject to tax field audits. Foreign subsidiaries are subject to the audit requirements of their local tax authorities. Tax backpayments cannot be ruled out as a result of tax audits performed at German and foreign companies.

OPPORTUNITIES

PHOENIX is active in 26 countries in Europe. The broad geographic diversification reduces the impact of changes in healthcare policy in individual markets on the group's business development. In addition, thanks to its broad geographical coverage, PHOENIX can also offer the pharmaceutical industry services across Europe.

Strong market position in wholesale

PHOENIX holds a leading market position in pharmaceutical wholesale in almost all countries in which it operates. It is the market leader in a large number of countries and has a particularly strong position in Northern and Eastern Europe and in Germany. No competitor has a comparable geographic coverage or market position in these regions.

Many of our pharmacy customers take part in the company's cooperation programmes. In some countries, PHOENIX also offers franchise systems for independent pharmacies.

Expansion of presence in Europe

Against the backdrop of strong competition, increasing pressure on margins in the European healthcare sector and rising demand for in-patient and digital health services, PHOENIX intends to reinforce and build up its position in Europe with the planned acquisition of McKesson. This will increase the range of products and services offered by PHOENIX in France and Italy. McKesson Europe's activities in Belgium, Ireland, Portugal and Slovenia also add countries to PHOENIX's portfolio in which we have not previously operated. This also opens up new opportunities for playing an active role in the digital transformation of the European healthcare sector.

Financial prerequisites for future growth established

The integration of the wholesale and retail pharmaceutical business also offers opportunities.

In its logistics business unit, PHOENIX continuously implements process improvements across Europe. **More information can be found under "Permanent optimisation" on p. 6.** Process optimisation measures that are successful in one country serve as a starting point for improvement measures in other countries and can help to reduce costs there.

The sound financing structure, with an equity ratio of around 30% and long-term financing, have established the financial prerequisites for the future growth of PHOENIX. This applies to both organic growth and appropriate acquisitions.

MANAGEMENT BOARD'S OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

On the whole, PHOENIX operates in a stable market and is well equipped to conduct activities in the areas of wholesale, retail and pre-wholesale. This allows it to take advantage of any opportunities that present themselves in order to build on its strong market position in the future. The risks and opportunities in the pharmaceutical retail business are not subject to any major changes over time. There are currently no discernible risks that could jeopardise the company's ability to continue as a going concern.

FORECAST

- Persistent uncertainty regarding economic growth in 2022
- Growth of PHOENIX's revenue in fiscal year 2022/23 expected to outpace the growth of Europe's pharmaceutical markets slightly
- Stable profit before tax projected

FUTURE ECONOMIC ENVIRONMENT

There is still a high level of uncertainty regarding economic growth in 2022 in Germany and the eurozone on account of the COVID-19 pandemic and the emergence of the Omicron variant. The longer the pandemic lasts, the more severe the consequences could be. The OECD has thus far projected increases in gross domestic product of 4.3% in the eurozone and 3.9% in Germany. PHOENIX still does not expect there to be any significant impact on the group's assets, liabilities, financial position and financial performance. However, the economic risks as a consequence of the coronavirus crisis have recently heightened significantly. Ongoing geopolitical crises such as the conflict in Ukraine also pose an additional risk to general economic growth. In its March 2022 Interim Report, the OECD projects that the increase in the gross domestic product of the eurozone will be 1.5 percentage points lower than originally forecast. Although we conduct almost no business activities in Ukraine or Russia, an increase in fuel and energy prices could have an indirect negative impact on PHOENIX's assets, liabilities, financial position and financial performance.

We expect the pharmaceutical markets in Europe to record market growth of around 3.2% overall in 2022. In Germany, our largest market, we anticipate market growth of approximately 3.0%.

FUTURE DEVELOPMENT OF PHOENIX

For fiscal year 2022/23, PHOENIX expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth of the European pharmaceutical markets. We expect revenue growth in nearly all markets in which we are present.

For fiscal year 2022/23, we forecast profit before tax to be at the level seen in 2021/22.

We also expect a slight increase in the equity ratio.

Given the difficulty of predicting when the acquisition of parts of McKesson's European business activities will be completed, the forecasts do not include any resulting effects on PHOENIX's revenue, profit before tax or equity ratio.

MANAGEMENT BOARD'S ASSESSMENT OF THE GROUP'S FUTURE POSITION

The Management Board is convinced that with its presence in 26 European countries and its sound financing structure, PHOENIX is well equipped to also achieve positive business development over the medium and long term. In addition to the organic and acquisition-related growth, increasing cost efficiency should also be an important contributing factor.

Mannheim, 8 April 2022

The Management Board of the unlimited partner
PHOENIX Verwaltungs GmbH

Sven Seidel (Chair)	Stephen Anderson	Helmut Fischer	Marcus Freitag
Stefan Herfeld	Dr Lorenz Näger	Dr Roland Schütz	

CONSOLIDATED FINANCIAL STATEMENTS

2021/2022

CONSOLIDATED INCOME STATEMENT

for fiscal year 2021/22

EUR k	Note	FY 2020/21	FY 2021/22
Revenue	1	**28,209,102**	**30,723,448**
Cost of purchased goods and services		–25,190,256	–27,493,329
Gross profit		**3,018,846**	**3,230,119**
Other operating income	2	35,060	41,787
Personnel expenses	3	–1,568,446	–1,658,153
Other operating expenses	4	–833,684	–944,971
Results from associates and joint ventures	5, 12	1,293	–1,012
Result from other investments	5	1,880	2,371
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**654,949**	**670,141**
Amortisation of intangible assets and depreciation of property, plant and equipment	6	–285,901	–290,716
Impairment of intangible assets and property, plant and equipment	6	–22,361	–21,777
Earnings before interest and taxes (EBIT)		**346,687**	**357,648**
Interest income		14,787	18,946
Interest expenses		–66,364	–76,736
Other financial result		2,476	4,641
Financial result	7	**–49,101**	**–53,149**
Profit before tax		**297,586**	**304,499**
Income taxes	8	–71,688	–86,230
Profit after tax		**225,898**	**218,269**
thereof attributable to non-controlling interests		33,934	34,612
thereof attributable to the shareholders of the parent company		191,964	183,657

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for fiscal year 2021/22

EUR k	FY 2020/21	FY 2021/22
Profit after tax	**225,898**	**218,269**
Items not reclassified to profit or loss		
Remeasurement of defined benefit plans	–49,638	–18,162
Items that may be subsequently reclassified to profit or loss as a result		
Currency translation differences	–35,836	32,575
Components of other comprehensive income, net of tax	**–85,474**	**14,413**
Total comprehensive income	**140,424**	**232,682**
thereof attributable to non-controlling interests	33,438	34,624
thereof attributable to equity holders of the parent company	106,986	198,058

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of 31 January 2022

ASSETS

EUR k	Note	31 Jan 2021	31 Jan 2022
Non-current assets			
Intangible assets	9	1,832,680	1,876,485
Property, plant and equipment	10	1,737,674	1,775,539
Investment property	10, 11	6,595	5,083
Investments in associates and joint ventures	12	6,114	17,724
Trade receivables	13	277	72
Other financial assets	13	107,997	96,481
Deferred tax assets	8	94,770	102,488
Income tax receivables		12	124
		3,786,119	**3,873,996**
Current assets			
Inventories	14	2,747,563	2,696,791
Trade receivables	15	2,712,486	2,928,157
Income tax receivables		16,679	22,772
Other financial assets	15	116,995	97,458
Other assets	16	137,693	165,956
Cash and cash equivalents	17	818,030	964,327
		6,549,446	**6,875,461**
Non-current assets held for sale	24	4,569	3,905
Total assets		**10,340,134**	**10,753,362**

EQUITY AND LIABILITIES

EUR k	Note	31 Jan 2021	31 Jan 2022
Equity			
Unlimited and limited partners' capital	18	851,000	851,000
Reserves	18	2,347,497	2,530,644
Accumulated other comprehensive income	18	−328,407	−314,006
Equity attributable to the shareholders of the parent company		**2,870,090**	**3,067,638**
Non-controlling interests	12, 18	298,826	315,445
		3,168,916	**3,383,083**
Non-current liabilities			
Financial liabilities	21	1,317,147	1,575,412
Trade payables	22	303	144
Provisions for pensions and similar obligations	19	272,374	294,191
Other non-current provisions	20	5,558	2,432
Deferred tax liabilities	8	128,211	153,042
Other non-current liabilities		1,463	1,115
		1,725,056	**2,026,336**
Current liabilities			
Financial liabilities	21	891,239	740,171
Trade payables	22	4,091,032	4,147,909
Other provisions	20	43,829	36,968
Income tax liabilities		35,299	53,426
Other liabilities	23	384,763	365,176
		5,446,162	**5,343,650**
Liabilities directly associated with assets held for sale	24	0	293
Total equity and liabilities		**10,340,134**	**10,753,362**

CONSOLIDATED STATEMENT OF CASH FLOWS for fiscal year 2021/22

EUR k	31 Jan 2021	31 Jan 2022
Profit after tax	**225,898**	**218,269**
Income taxes	71,688	86,230
Profit before income taxes	**297,586**	**304,499**
Adjustments for:		
Interest expenses and interest income	51,577	57,790
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	308,262	312,493
Result from associates and other investments	– 3,173	– 1,359
Net result from the disposal of assets related to investing activities	– 1,268	– 728
Other non-cash expense and income	68,325	75,633
	721,309	**748,328**
Interest paid	– 55,866	– 85,690
Interest received	13,150	9,850
Income taxes paid	– 65,058	– 55,766
Dividends received	2,058	2,548
Cash flow before change in assets and liabilities	**615,593**	**619,270**
Changes in assets and liabilities, net of effects of changes in the scope of consolidation and other non-cash transactions:		
Change in non-current provisions	– 34,503	– 42,479
Cash flow before change in operating assets and liabilities	**581,090**	**576,791**
Change in inventories	– 208,794	62,767
Change in trade receivables	– 108,654	– 210,753
Change in trade payables	330,882	43,530
	13,434	**– 104,456**
Change in other assets and liabilities not related to investing or financing activities	30,628	– 74,857
Change in operating assets and liabilities	**44,062**	**– 179,313**
Cash flow from operating activities	**625,152**	**397,478**
Acquisition of consolidated companies and business units, net of cash acquired	– 38,550	– 19,556
Capital expenditures for intangible assets, property, plant and equipment, and investment property	– 187,788	– 180,216
Investment in other financial assets and non-current assets	– 1,681	– 8,198
Cash outflows for investments	**– 228,019**	**– 207,970**

EUR k	31 Jan 2021	31 Jan 2022
Cash received from the sale of consolidated companies and business units, net of cash disposed	3,397	480
Cash received from disposal of intangible assets, property, plant and equipment, and investment property	18,420	23,227
Proceeds from other financial assets and non-current assets	154,633	4,831
Cash inflows from realised investments and divestments	**176,450**	**28,538**
Cash flow from investing activities	**– 51,569**	**– 179,432**
Cash available for financing activities	**573,583**	**218,046**
Capital increase/repayment	– 150,000	0
Capital contribution from/repayment to non-controlling interests	290	0
Acquisition of additional shares in already consolidated subsidiaries	– 725	– 331
Proceeds from disposal of interests in subsidiaries without loss of control	152	14
Dividends paid to non-controlling interests	– 16,971	– 19,361
Proceeds from bond issuance and bank loans	633,135	143,652
Repayment of bonds and bank loans	– 412,471	– 382,684
Change in bank loans which have a maturity period of 3 months or less	69,064	76,071
Proceeds from the issue of loans from shareholders in the parent company	20,700	0
Repayment of loans from shareholders in the parent company	– 12,000	– 7,216
Proceeds from the issue of loans from related parties	0	100,197
Repayment of loans from related parties	0	– 212
Change in ABS/Factoring	27,074	149,786
Change in finance lease	– 141,049	– 134,846
Change in other financial liabilities	– 16,663	981
Cash flow from financing activities	**536**	**– 73,949**
Changes in cash and cash equivalents	**574,119**	**144,097**
Effect of exchange rate changes on cash and cash equivalents	– 2,075	2,477
Cash and cash equivalents at the beginning of the period	245,986	818,030
Cash and cash equivalents at the end of the period	818,030	964,604
Less cash and cash equivalents included in assets held for sale	0	– 277
Cash and cash equivalents presented in the balance sheet at the end of the period	**818,030**	**964,327**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for fiscal year 2021/22

EUR k	Unlimited and limited partners' capital	Reserves	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
1 February 2020	**1,000,000**	**2,126,012**	**–97,137**	**–146,292**	**2,882,583**	**282,836**	**3,165,419**
Profit after tax		191,964			191,964	33,934	225,898
Accumulated other comprehensive income			–35,334	–49,644	–84,978	–496	–85,474
Total comprehensive income after taxes		**191,964**	**–35,334**	**–49,644**	**106,986**	**33,438**	**140,424**
Capital increase/reduction	–149,000	19,274			–129,726	0	–129,726
Changes in basis of consolidation		–544			–544	497	–47
Changes in the interest of consolidated companies		–425			–425	–33	–458
Dividends					0	–17,712	–17,712
Other transactions with owners		10,555			10,555	0	10,555
Other changes in equity		661			661	–200	461
31 January 2021	**851,000**	**2,347,497**	**–132,471**	**–195,936**	**2,870,090**	**298,826**	**3,168,916**
1 February 2021	**851,000**	**2,347,497**	**–132,471**	**–195,936**	**2,870,090**	**298,826**	**3,168,916**
Profit after tax		183,657			183,657	34,612	218,269
Accumulated other comprehensive income			32,569	–18,168	14,401	12	14,413
Total comprehensive income, net of tax		**183,657**	**32,569**	**–18,168**	**198,058**	**34,624**	**232,682**
Changes in the interest of consolidated companies		–818			–818	–914	–1,732
Dividends					0	–17,602	–17,602
Other transactions with owners		–537			–537	0	–537
Other changes in equity		845			845	511	1,356
31 January 2022	**851,000**	**2,530,644**	**–99,902**	**–214,104**	**3,067,638**	**315,445**	**3,383,083**

FINANCIAL CALENDAR 2022

Please consult our calendar for the most important announcement dates:

27 June	Quarterly statement February to April 2022
28 September	Half-year report February to July 2022
21 December	Quarterly statement February to October 2022

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